

~MEMORANDUM~

To: Town Meeting Members
From: Board of Assessors and Senior Tax Relief Working Group
Date: May 7, 2025
Re: Article 2 on Special Town Meeting Warrant – Accept and Adjust Certain Senior and Veteran Tax Relief Measures

The purpose of this memo is to provide further context behind the six motions contained in Article 2 of the Special Town Meeting warrant to accept or adjust local tax exemption options.

Belmont, like other Massachusetts municipalities, operates within the confines of Proposition 2½. Municipal property taxes are highly regulated – for overall limits on the tax levy, individual exemptions allowed under state law, and many other aspects. Both the Board of Assessors and Senior Tax Relief Working Group – all of whom have been appointed after July 2024 – have endeavored to identify opportunities to expand available exemptions under existing law, and that is the main focus of the proposed changes. In order for the changes to take effect for FY2026, Town Meeting must adopt them prior to July 1, 2025.

While the available exemptions (contained within MGL Ch. 59, section 5) are modest, we think they are worthwhile to support as many community members as possible. These fall into three main categories –

1. Technical Correction
2. HERO Act Updates to Veterans Exemptions
3. Consumer Price Index (CPI) Updates and Other

TECHNICAL CORRECTION –

Motion A – In 2001, Belmont Town Meeting voted to accept a Massachusetts state law allowing the Board of Assessors to double available exemptions, which has been the practice in Belmont since FY2002. In 2014, the state repealed the original law and updated and replaced it under a different Massachusetts General Laws section - [MGL Ch. 59, section 5C½](#). Belmont has not yet adopted the updated law. Motion A adopts Section 5C½ to allow the Board of Assessors to continue doubling exemptions going forward. The cost of doubling exemptions in FY2024 was \$48,000, paid from the Overlay.

For reference, in 2001 Belmont adopted Section 4 of Chapter 73 of the Acts of 1986. A 2014 state law repealed Ch. 73, section 4, and codified its provisions in MGL Ch. 59, section 5C½. The Department of Revenue’s March 2015 instructions note that communities must accept Ch. 59:5C½ for FY2016 and beyond.

HERO ACT – In August 2024, Governor Healey signed the HERO Act, which extends several benefits to veterans. We are proposing to adopt two relevant and available provisions via Motions B and C.

Motion B. Adopts Clause 22I to adjust Veterans’ exemption amounts each year by a Consumer Price Index (CPI) established by the Commissioner of the Department of Revenue for exemption-related purposes. Over the past 10 years, CPI has ranged from 0.59% to 7%, for an average of 3.01%. The affected exemptions, the current value, and number of recipients and total for FY2024 is listed in the table below. If an average CPI of 3% is assumed, the fiscal impact to the Overlay account is \$774, or \$1,548 if Motion A or C (or both) passes.

Clause	Description	Benefit	FY24 Beneficiaries	Statutory Exemption	FY24 Payments
22	10%+ service-connected disability, Purple Heart, Gold Star families	\$400/\$800	42	\$16,800	\$33,600
22A	Loss of one hand, foot, or eye; Medal of Honor/Distinguished Service Cross recipients	\$750/\$1,500	0	--	--
22B	Loss of both hands, feet, or eyes	\$1,250/\$2,500	0	--	--
22C	100% disabled & Specially Adapted Housing recipient	\$1,500/\$3,000	0	--	--
22E	100% Disabled Veterans and Surviving Spouses	\$1,000/\$2,000	9	\$9,000	\$18,000
22F	Paraplegic due to military service	100%	0	--	--
Subtotal			51	\$25,800	\$51,600
Cost of 3% CPI				\$774	\$1,548

Motion C. Adopts Clause 22J which mirrors [Ch. 59, section 5C½](#) (Motion A), but for Veterans’ exemptions. The only difference is that 5C½ requires the Assessors to calculate the net tax each year, and reduce the extra exemption if a resident’s net taxes would be lower than the net taxes paid in the prior year. Clause 22J does not have that calculation, allowing the Assessors to provide the full doubled Veterans’ benefit each year.

One technicality – Clause 22J cannot be implemented in the same year as Ch. 59:5C½. The motion clarifies that it will take effect “the earliest date permitted by law,” which would be FY2027 if Motion A also passes.

CPI UPDATES AND OTHER – As noted for Motion B, DOR establishes a CPI each year for use with exemptions, and there are several instances where localities can opt to apply the CPI to qualifying income or assets, or to the benefit itself. One update (D) is not related to CPI.

Motion D. Clause 41C provides a \$1,000 statutory exemption (\$2,000 if doubled) for low-income seniors with limited assets. Motion D would reduce the qualifying age from 70 to 65. It is unclear how many additional seniors would qualify from this change – there were 21 exemptions granted in FY2025, for a total cost to the Overlay of \$42,000.

Motion E. Adopts Clause 41D to allow the CPI to be applied to the income and asset limits for Clause 41C. (Income includes savings, pensions, annuities, 401K receipts, any salary, rental incomes or any other form of compensation that would be reported on taxes as income; assets exclude primary residence but includes investments and bank accounts.) An illustration of the updated limits using the average CPI is shown on the next page.

Note – the income limits in the [FY2025 Tax Relief brochure](#) were listed incorrectly. The error was uncovered in preparing the Warrant for Town Meeting. Future editions of the Tax Relief brochure will contain the correct limits.

	Income Caps		Asset Limits	
	Single	Couple	Single	Couple
Limits	\$20,000	\$30,000	\$40,000	\$55,000
3.00% CPI	\$20,600	\$30,900	\$41,200	\$56,650

Motions F & G. Clause 17D provides a \$175 exemption (\$350 if doubled) for seniors 70 and older, surviving spouses, and minor children, who have \$40,000 or less in assets.

Motion F adopts Clause 17E, which adjusts the asset limitation by the DOR CPI.

Motion G adopts Clause 17F, which adjusts the benefit by the DOR CPI.

An illustration of the potential impact to the Overlay is below. There were 4 recipients in FY2024.

	Asset Limit (F)	Benefit (G)	FY2024	Cost
Current	\$40,000	\$350	4	\$1,400
3.00% CPI	\$41,200	\$361	4	\$1,444

OTHER ITEMS OF NOTE –

- The Board of Assessors published a Property Tax Relief Program brochure which was published on the Town’s website and widely publicized.
- The new Town website includes a page for tax relief – www.belmont-ma.gov/TaxRelief.
- The Q4 real estate tax bills included an insert to advertise the April 1st tax exemption deadline, and Tax Relief website and brochure. The Assessors’ Office reported a noted uptick in interest, especially from the families of Belmont seniors who were previously unaware of available programs for their parents.
- In March, multiple in-person and virtual information sessions were held in an effort to ensure that all who might qualify for an available program were aware of the potential benefit and the opportunity to apply.
- The Overlay is cited as the funding source for the proposed changes. Funds are set-aside each year as part of the budget process; those are sufficient to projected funding impacts of all of the proposed changes.